

#3

K0016
R

14-M-0545

~~SECRET~~

SCOPE PAPER

Setting

This will be the most routine SCM in which you have participated. Our security relations with the ROK are in good shape. We are moving away from a patron-client relationship with the ROK toward a more equal partnership and shared responsibility for deterrence and defense. There are no contentious issues on the SCM agenda, and your meetings with President Park and Minister Ro should provide an opportunity to exchange views on longer-term plans and programs.

Your Korean hosts should be in a fairly relaxed mood. Suspension of our ground combat force withdrawals has restored ROK confidence in American reliability and bolstered its bargaining position on North-South issues. Our bilateral trade with Korea is at an all-time high, and we just consummated sales of nuclear reactors worth \$1.1 billion in US exports over the next five years. South Korea's relations with Japan are on the upswing. Despite residual concerns about the North-South military balance, there have been no major incidents along the DMZ, and Pyongyang's diplomacy has exhibited unusual moderation -- presumably this reflects uncertainties about the support of its allies and the need to escape its economic malaise through restoration of commercial ties with the West.

If there are clouds on the horizon, they are the result of a troublesome South Korean domestic political situation that is fueled by the economic squeeze. Since President Carter's visit in July, Park has drifted toward confrontation with the opposition. Opposition leader Kim Yong Sam has been expelled from the National Assembly, and Ambassador Gleysteen was called home on consultations as a sign of our concern. Kim's expulsion has excited extensive criticism in Korea and some reaction in the United States. It could set the stage for a wider pattern of opposition demonstrations and government countermeasures. We have urged the ROK Government to moderation in dealing with the opposition, but it is unclear what additional measures the government might take.

The economic situation in South Korea is bearish -- at least by comparison with previous years. GNP growth projections have been reduced to 6%; inflation is running at an annual rate of more than 20%; Seoul faces a current accounts deficit of roughly \$4 billion in CY 79. In light of these conditions, the ROKG is scaling down promised salary increases for public servants, postponing social infrastructure expenditures, and delaying major industrial investments -- measures which exacerbate internal political strains.

In the defense sector, Park responded to your entreaties last June by pushing Defense spending up to slightly more than 6% of GNP in 1980 -- almost a 40% increase in the defense budget. Moreover, heavy emphasis is being given to ground force improvements as you suggested.

~~SECRET~~

Our injunctions to the ROKG on major equipment issues have also borne fruit.

- The ROK wisely requested co-assembly of the F-5 rather than the A-7 or A-10. Its request for submarines has been dropped for now.

- Acquisition dates for the F-16 apparently have slipped to 1986 and the size of ROK requests for this aircraft has been scaled down.

- The MND appears determined to assert effective control over SSF missile programs run by the Agency for Defense Development, though it remains to be seen whether those efforts will be successful. In any event, Minister Ro has provided assurances to us concerning ROK plans for long-range missiles which Ambassador Gleysteen and Gen Wickham regard as satisfactory in some respects, deficient in others. We subsequently made clear - in a letter from Gen Wickham to Ro -- US concerns regarding the potentially destabilizing nature of ROK missile efforts and the conditions under which we will be prepared to cooperate.

Finally, the Koreans have been more forthcoming regarding their force structure planning than in the past. General Wickham has been briefed on the ongoing revision of the Force Improvement Plan (FIP) -- the major ROK force structure and budget planning document. This is unprecedented. In the past, while depending upon the MAAG for advice and assistance in planning, the FIP and its revisions were presented to the US in a finished document.

On our side, we have also made progress.

- Plans for the withdrawal of 1500 support troops through end of CY 80 have been refined, and you can provide details to the Koreans.

- We are examining ways to upgrade our capability on the peninsula in the following areas:

- Earlier deployment of AWACS (4th Qtr FY 80 vice 4th Qtr FY 81);

- Deployment of an A-10 squadron to Korea;

- Upgunning of US artillery units;

- Introduction of a more modern helicopter with antitank capability; and

- Mechanizing an Engineer Company to support better the mechanized brigade in the 2d Inf Division;

- Improvement in I&W and communications.

OBJECTIVES

Your meeting with President Park will be rather brief; I suggest that you concentrate on broad issues, such as recent developments in Great Power relations, plans for your trip to China, the swing strategy, and North-South prospects. You can presume that Park will be briefed by Minister Ro on the bilateral items which you will discuss with the Minister. Specifically you should:

- Provide the ROK with details of our planned withdrawal of a modest number of ground support units through CY 1980;
- Urge the Koreans to continue to upgrade their own defense efforts with primary attention to improvements in ground forces;
- Convey the President's approval of a ROK request to co-assemble F-5 aircraft as an exception to our arms transfer policy;
- Inform the Koreans of certain measures we may take (e.g., early deployment of AWACS and F-15 aircraft to Okinawa) to augment US military capabilities in the region;
- Indicate our willingness to support Korean efforts to develop and produce surface-to-surface missiles (SSMs) under the conditions specified in the Wickham-Ro letter.

Ro will want to discuss some other issues which have been flagged in the talking paper prepared for your meeting with him.

Ambassador Gleysteen will advise you on the plane regarding recent political developments in Korea and provide suggestions on how to handle the human rights issue.

- Assuage

FORMAT OF THE MEETINGS

This year the SCM plenary sessions will be short. At the first plenary the Military Committee will report on the functioning of the Combined Forces Command since its formation last November, and make recommendations regarding further CFC activities. A summary of this report and suggested talking points are at Tab E-2 in your briefing book. At that first meeting, four US-ROK committees will be appointed to examine selected issues and report at the second and concluding meeting of the SCM the next day. The committees are:

- Logistics
- Security Assistance
- Technological Cooperation
- Press Release.

~~SECRET~~

~~SECRET~~

It is not anticipated that their reports will be lengthy or raise proposals which would require substantive discussion at the concluding plenary. Summaries of these reports and proposed comments for your use following each report are at Tab H, Subtabs 1 through 4.

YOUR SCHEDULE

A short (10-minute) honors ceremony will be held at Army Headquarters just opposite the Ministry of National Defense immediately before the first plenary session of the SCM (which will take place at MND). In addition, there will be two receptions and dinners: one hosted by the ROKS, and the other hosted by you. The dinners will be small affairs in keeping with the aim of greater informality; they will be limited to 50 people. You will also meet with the Country Team on Thurs, 18 Oct at 0900. A short press conference will follow the second plenary after which you will depart for the airport.

THE BRIEFING BOOKS CONTAIN:

Book 1 -- Your Itinerary, recommended statements, toasts and talkers for your meetings with President Park, Minister Ro, and the Country Team.

Book 2 -- Issue papers, selected background material, and biographies.

~~SECRET~~